THE BIG 5 FALSE BAY MUNICIPALITY (KZN 273)

ADJUSTMENT BUDGET 2014/15

ADJUSTED MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

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Glossary

Adjustments budget- Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations- money received from the provincials or National Government or other municipalities.

Budget- the financial plan of the municipality**.**

Budget Related Policy – policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure – spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an assets on the Municipality`s balance sheet.

Cash flow statements – a statement showing when actual cash will be received and spent by the municipality. Cash payments do not always coincide with budgeted expenditure timings. For examples, when an invoice is received by the municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division or revenue Act. Annual legislation that shows the total allocations made by national to provincial and local governments.

Equitable Share- a general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The new standard planning documents of the municipality.

KPI`s – Key Performance Indicators. Measures of service output and/ or outcome.

MFMA - The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first years and indicatives further two years budget allocations. Also includes details of the previous and current year's financial position.

Net Assets – Net Assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets were of the municipality equates to the "net wealth" of the municipality, after all assets were sold/ recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expense of the Municipality such as salaries and wages.

Rates – local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget

Vote - one of the main segments of a budget. The structure is for reporting requirements and links the accounting performance both to the IDP and to the responsible officials. The vote structure at The Big 5 False Bay Municipality is made up as follows:

Vote	Description	Sub-vote
Vote 1	Executive & Council	Mayor & Council
		Municipal Manager
Vote 2	Budget & Treasury Office	Budget & Treasury Office
Vote 3	Corporate Services	Corporate Services
		Human Resources
Vote 4	Community Services	Other Community & Social
		Libraries & Archives
		Refuse Removal
Vote 5	Planning Services	Planning & development
		Roads & Technical

PART 1 – ANNUAL BUDGET

1.1 MAYOR'S REPORT

It is with great pleasure that I present the 2014/15 Adjustment Budget to the Council for consideration.

I am specifically pleased to announce that our budget now materially complies with the latest budget regulations as well as the requirements of the National Treasury. The municipality utilised the solid base created in the prior year to build on and refine the budgeting processes, for which I must thank the Chief financial Officer and his staff for the tremendous effort.

The reason for the tabling of an adjustment budget is fully disclosed in the executive summary of the budget documentations.

The Council`s main priority is to ensure that all members of the community have access to high quality basic service. This objective is largely supported by the municipality capital budget allocation. The capital budget places great emphasis on the upgrading of infrastructure, especially in previously disadvantaged communities.

The main adjustments proposed in this adjustment budget are:

Operating Budget

- An increase in total revenue amounting to R6.2 million. This increase is mainly as a result of the following-
  (a) An increase in traffic fines revenue amounting to R6 million. The increase is based on the enforcement of the GRAP 23 implementation.
  (b) Increase in investment revenue of R150 000, this revenue was not previously budgeted for in the annual budget.
- An increase in total expenditure amounting to R7.6 million. This increase is mainly as a result of the following-
  (a) A decrease in employee costs amounting to R586'. This decrease is as result of budgeted vacant positions, which were filled after the beginning of the financial year which resulted to saying in the employee related cost.
  (b) An increase in contracted services amounting to R760' as a result of more services being removed from general expenditure and contracted for.
  (c) A decrease in repairs and maintenance of R1.7 million as a result of cash flow constrains.

(d) Increase in non-cash items (i.e. depreciation & debt impairment) amounting to R6 million as a result of change in policy of debt impairment and most accurate estimation of depreciation.
(e) Increase in general expenditure of R3.1 million as a result of partially from unforeseen expenditure as mentioned above and other expenditure which exceeded limit in the Mid-term review hence an adjustment was imperative.

Capital Budget

Capital budget has increased by R1.4 million. This is internally funded.

Funding Cash Flows

The budget for 2014/15 is not fully cash funded, but the municipality will need to strengthen the debts collection in order to cover trade creditors. The below table summarises the cash flow projection of the municipality

Source	**(R'000)**
INFLOWS	
Rates and refuse Collection	10 876
Transfers Recognised- OPEX	32 467
Transfers Recognised- Capex	11 156
Other Revenue Inflows	5 821
TOTAL CASH INFLOW	**60 320**
OUTFLOWS	
Employee Related costs	16 129
Councillors Allowances	1 760
Contracted Services	11 480
General Expenses	11 484
Capital Expenditure	13 206
Other cash outflows incl. Creditors	4 862
TOTAL CASH OUTFLOW	**58 921**
NET INFLOWS/ (OUTFLOWS)	**1 399**
BALANCE AS AT 1 JULY 2011	**(1 355)**
NET CASH AT YEAR END	**44**

As can be seen from the above the municipality's cash resources will increase by R44 000.

Unforeseen and unavoidable expenditure

The following unforeseen expenditure were reported to The Mayor & Council and approved:

- New Generator
- Traffic Warden programme
- Disaster Cost

Recommendations

It is recommended:

1) That the Council approves the adjustment budget; and that the Council approves the changes to the service delivery and budget implementation plan.

1.2 COUNCIL RESOLUTIONS

On 26 February 2015, the Council of Big 5 false Bay Municipality met in the Council Chambers to consider the adjustment budget of the municipality for the financial year 2014/15. The Council approved and adopted the following resolutions:
1.2.1 The council of Big 5 False bay Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1.2.1.1 The adjustment budget of the municipality for the financial year 2013/14 and the capital appropriations as set out in the following tables:

(a) Adjusted Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table B2

(b) Adjusted Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3

(c) Adjusted Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table B4

(d) Adjusted Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table B5

1.2.1.2 The financial position, cash flow budget, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

(a) Adjusted Budgeted Financial Position as contained in Table B6

(b) Adjusted Budgeted Cash Flows as contained in Table B7

(c) Adjusted Cash backed reserves and accumulated surplus reconciliation as contained in Table B8

(d) Adjusted Asset management as contained in Table B9

(e) Adjusted Basic service delivery measurement as contained in Table B10

1.3 EXECUTIVE SUMMARY

The 2014/2015 Adjustments Budget has been prepared in terms of the guidelines contained in Section 28(2) of the MFMA and furthermore ensures that the municipality continues to deliver on its core mandate and identified priorities, achieves its strategic goals and entails prioritising all available resources towards addressing the basic needs of its citizens.

The aim for the compilation of the 2014/15 adjustments budget is to align the expenditure to the anticipated revenue and ensure that the budget is adequately funded. Heads of Departments were requested to identify areas where possible savings were identified in order to address those where additional funding was required.

Due to there being no available surpluses from the 2013/14 financial year, the under mentioned principles gave guidance to the compilation of the 2014/15 adjustment budget;

• The budget must be funded as required by Section 18 of the MFMA, which states that;

- An annual budget may only be funded from –
  a) Realistically anticipated revenues to be collected;
  b) cash-backed surpluses from previous years not committed for other purposes; and
  c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- Revenue projections in the budget must be realistic, taking into account –
  a) Projected revenue for the year taking into account collection levels to date; and
  b) Actual revenue collected in the previous financial years.

• Adjustment in revenue should be accompanied by adjustments in expenditure in the following circumstances;

- A projected under collection/decrease in revenue must be accompanied by a corresponding decrease in expenditure.

- Should there additional grant funding to be received, that increase in revenue should be accompanied by an increase in expenditure, subject to the conditions of the grant,
- Any anticipated additional revenue to be collected should be prioritised for the funding of the municipality's core functions;
- For any additional funding expenditure request this should be funded from savings that would have been identified in another vote.

• Submissions which relate to external funding sources must be accompanied by proof of confirmation from the relevant funder or such funding should have been appropriated in terms of a government Gazette.

• An in-depth analysis was done for the following items and allocations to these items had to be supported by a motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:

- New positions;
- Furniture and office equipment;
- Use of consultants

In view of the aforementioned, the following table is a consolidated overview of the Adjusted 2014/15 Medium - Term Revenue and Expenditure Framework:

Effect of the adjustment budget

The overall changes made to the 2013/14 budget can be summarised as follows:

- An increase in total revenue amounting to R6.1 million.
- An increase in total expenditure amounting to R7.6 million.

Summary of the changes/ Adjustments

Adjusted versus original Budget

Source	Original Budget (R'000)	Adjusted Budget (R'000)	Difference (R'000)
Interest on Investment	0	150	150
Other Revenue	7 001	13 000	6 000
NET EFFECT	**7 001**	**13 150**	**6 150**
Employee Related Costs	16 715	16 129	(586)
Depreciation	2 000	3 500	1 500
Finance Charges	150	200	50
Contracted Services	14 991	15 751	760
Material and Bulk purchases	3 700	2 000	(1 700)
Debt Impairment	2 000	6 500	4 500
Other Expenditure	10 139	13 249	3 110
NET EFFECT	**49 555**	**57 329**	**7 635**

1.4. ADJUSTMENT BUDGET TABLES

Table B1 – Adjustment Budget Summary
Table B2 – Adjustment Budget Financial Performance (Standard Classification)
Table B3 – Adjustment Budget Financial Performance (By Municipal vote)
Table B4 – Adjustment budget Financial Performance (Revenue and expenditure)
Table B5 – Adjustment Capital Expenditure Budget by vote and funding
Table B6 – Adjustment Budget Financial Position
Table B7 – Adjustment Budget Cash Flows
Table B8 – Cash Backed Reserves/ Accumulated Surplus Reconciliation
Table B9 – Asset Management
Table B10 – Basic Service delivery measurement

KZN273 The Big 5 False Bay - Table B1 Adjustments Budget Summary -

Description	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	9 745	–	–	–	–	–	–	–	9 745	10 291	10 867
Service charges	1 566	–	–	–	–	–	–	–	1 566	1 653	1 746
Investment revenue	–	–	–	–	–	–	150	150	150	–	–
Transfers recognised - operational	33 874	–	–	–	–	–	–	–	33 874	42 521	44 254
Other own revenue	7 001	–	–	–	–	–	6 000	6 000	13 001	5 320	5 659
Total Revenue (excluding capital transfers and contributions)	52 185	–	–	–	–	–	6 150	6 150	58 335	59 785	62 526
Employee costs	16 715	–	–	–	–	–	(586)	(586)	16 129	17 784	18 923
Remuneration of councillors	1 760	–	–	–	–	–	–	–	1 760	1 873	1 992
Depreciation & asset impairment	2 000	–	–	–	–	–	1 500	1 500	3 500	4 000	4 500
Finance charges	150	–	–	–	–	–	50	50	200	150	100
Materials and bulk purchases	3 700	–	–	–	–	–	(1 700)	(1 700)	2 000	5 000	6 000
Transfers and grants	180	–	–	–	–	–	–	–	180	198	218
Other expenditure	27 130	–	–	–	–	–	8 370	8 370	35 500	28 237	29 651
Total Expenditure	51 635	–	–	–	–	–	7 635	7 635	59 269	57 242	61 384
Surplus/(Deficit)	551	–	–	–	–	–	(1 485)	(1 485)	(934)	2 543	1 142
Transfers recognised - capital	11 156	–	–	–	–	–	–	–	11 156	11 486	11 798
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	11 707	–	–	–	–	–	(1 485)	(1 485)	10 222	14 029	12 940
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	11 707	–	–	–	–	–	(1 485)	(1 485)	10 222	14 029	12 940
Capital expenditure & funds sources											
Capital expenditure	11 556	–	–	–	1 405	–	–	1 405	12 961	11 486	11 798
Transfers recognised - capital	11 156	–	–	–	–	–	–	–	11 156	11 486	11 798
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	400	–	–	–	1 405	–	–	1 405	1 805	–	–
Total sources of capital funds	11 556	–	–	–	1 405	–	–	1 405	12 961	11 486	11 798
Financial position											
Total current assets	8 678	–	–	–	–	–	10 646	10 646	19 324	6 439	9 682
Total non current assets	117 041	–	–	–	–	–	(1 117)	(1 117)	115 923	124 515	131 802
Total current liabilities	4 400	–	–	–	–	–	9 020	9 020	13 420	4 350	4 000
Total non current liabilities	4 850	–	–	–	–	–	–	–	4 850	4 300	4 400
Community wealth/Equity	116 469	–	–	–	–	–	509	509	116 978	122 304	133 084
Cash flows											
Net cash from (used) operating	9 885	–	–	–	–	–	2 920	2 920	12 805	18 587	14 997
Net cash from (used) investing	(9 256)	–	–	–	–	–	(1 650)	(1 650)	(10 906)	(11 486)	(11 798)
Net cash from (used) financing	(500)	–	–	–	–	–	–	–	(500)	(500)	(500)
Cash/cash equivalents at the year end	1 602	–	–	–	–	–	1 270	1 270	2 872	7 528	10 227
Cash backing/surplus reconciliation											
Cash and investments available	2 116	–	–	–	–	–	(2 072)	(2 072)	44	8 039	13 032
Application of cash and investments	(37)	–	–	–	–	–	1 501	1 501	1 464	6 485	7 572
Balance - surplus (shortfall)	2 153	–	–	–	–	–	(3 573)	(3 573)	(1 420)	1 554	5 460
Asset Management											
Asset register summary (WDV)	117 041	–	–	–	–	–	–	–	117 041	124 915	131 802
Depreciation & asset impairment	2 000	–	–	–	–	–	1 500	1 500	3 500	4 000	4 500
Renewal of Existing Assets	4 862	–	–	–	–	–	–	–	4 862	4 194	4 719
Repairs and Maintenance	3 700	–	–	–	–	–	(1 700)	(1 700)	2 000	5 000	6 000
Free services											
Cost of Free Basic Services provided	148	–	–	–	–	–	–	–	148	148	148
Revenue cost of free services provided	860	–	–	–	–	–	–	–	860	860	860
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	0	–	–	–	–	–	–	–	0	0	0

KZN273 The Big 5 False Bay - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12		
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
Governance and administration		25 630	–	–	–	–	–	150	150	25 780	31 542	32 495
Executive and council		9 499	–	–	–	–	–	–	–	9 499	7 901	8 500
Budget and treasury office		11 717	–	–	–	–	–	150	150	11 867	18 946	18 995
Corporate services		4 413	–	–	–	–	–	–	–	4 413	4 695	5 000
Community and public safety		12 002	–	–	–	–	–	6 000	6 000	18 002	17 514	18 257
Community and social services		8 002	–	–	–	–	–	–	–	8 002	8 514	8 757
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		4 000	–	–	–	–	–	6 000	6 000	10 000	9 000	9 500
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		12 989	–	–	–	–	–	–	–	12 989	13 820	15 000
Planning and development		12 989	–	–	–	–	–	–	–	12 989	13 820	15 000
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		1 566	–	–	–	–	–	–	–	1 566	1 653	1 746
Electricity		–	–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		1 566	–	–	–	–	–	–	–	1 566	1 653	1 746
Other		–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	52 186	–	–	–	–	–	6 150	6 150	58 336	64 529	67 498
Expenditure - Standard												
Governance and administration		25 634	–	–	–	–	–	6 824	6 824	32 458	28 809	31 592
Executive and council		9 498	–	–	–	–	–	(200)	(200)	9 298	10 107	10 492
Budget and treasury office		11 717	–	–	–	–	–	3 914	3 914	15 631	14 001	15 700
Corporate services		4 418	–	–	–	–	–	3 110	3 110	7 528	4 701	5 400
Community and public safety		12 886	–	–	–	–	–	760	760	13 646	14 739	9 983
Community and social services		12 886	–	–	–	–	–	760	760	13 646	14 739	9 983
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		13 115	–	–	–	–	–	50	50	13 165	13 694	19 809
Planning and development		13 115	–	–	–	–	–	50	50	13 165	13 694	19 809
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	51 635	–	–	–	–	–	7 634	7 634	59 269	57 242	61 384
Surplus/ (Deficit) for the year		552	–	–	–	–	–	(1 484)	(1 484)	(932)	7 287	6 113

This table reflects the operating budget in the standard classifications which are the Government Finance statistics Functions and Sub-Functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Governance and administration; Community and Public safety; Economic and environmental services.

KZN273 The Big 5 False Bay - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
[Insert departmental structure etc]			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Executive & Council		9 499	–	–	–	–	–	–	–	9 499	7 901	8 500
Vote 2 - Budget & Treasury Office		11 717	–	–	–	–	–	150	150	11 867	18 946	18 995
Vote 3 - Corporate Services		4 414	–	–	–	–	–	–	–	4 414	4 695	4 999
Vote 4 - Community Servives		8 002	–	–	–	–	–	–	–	8 002	13 514	9 307
Vote 5 - Planning Services		25 710	–	–	–	–	–	–	–	25 710	17 215	23 023
Vote 6 - Public Safety		4 000	–	–	–	–	–	6 000	6 000	10 000	9 000	9 500
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	63 342	–	–	–	–	–	6 150	6 150	69 492	71 271	74 324
Expenditure by Vote	1											
Vote 1 - Executive & Council		9 498	–	–	–	–	–	(200)	(200)	9 298	10 107	10 492
Vote 2 - Budget & Treasury Office		11 717	–	–	–	–	0	3 914	3 914	15 631	14 001	15 700
Vote 3 - Corporate Services		4 418	–	–	–	–	–	3 110	3 110	7 528	4 701	5 400
Vote 4 - Community Servives		12 886	–	–	–	–	–	760	760	13 646	14 739	9 983
Vote 5 - Planning Services		13 115	–	–	–	–	–	50	50	13 165	13 694	19 809
Vote 6 - Public Safety		–	–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	51 635	–	–	–	–	0	7 634	7 634	59 269	57 242	61 384
Surplus/ (Deficit) for the year	2	11 707	–	–	–	–	(0)	(1 484)	(1 484)	10 223	14 028	12 940

The operating expenditure budget is approved by Council at the municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of: Executive and council; Corporate services; Budget and Treasury; Planning and Development (which include technical services); Community services.

KZN273 The Big 5 False Bay - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	9 745	–	–	–	–	–	–	–	9 745	10 291	10 867
Property rates - penalties & collection charges									–	–		
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	1 566	–	–	–	–	–	–	–	1 566	1 653	1 746
Service charges - other		–							–	–		
Rental of facilities and equipment		106							–	106	112	120
Interest earned - external investments		–						150	150	150	–	–
Interest earned - outstanding debtors		739							–	739	787	837
Dividends received									–	–		
Fines		4 000						6 000	6 000	10 000	4 256	4 528
Licences and permits									–	–		
Agency services									–	–		
Transfers recognised - operating		33 874							–	33 874	42 521	44 254
Other revenue	2	156	–	–	–	–	–	–	–	156	165	174
Gains on disposal of PPE		2 000							–	2 000		
Total Revenue (excluding capital transfers and contributions)		52 185	–	–	–	–	–	6 150	6 150	58 335	59 785	62 526
Expenditure By Type												
Employee related costs		16 715	–	–	–	–	–	(586)	(586)	16 129	17 784	18 923
Remuneration of councillors		1 760							–	1 760	1 873	1 992
Debt impairment		2 000						4 500	4 500	6 500	1 800	1 800
Depreciation & asset impairment		2 000	–	–	–	–	–	1 500	1 500	3 500	4 000	4 500
Finance charges		150						50	50	200	150	100
Bulk purchases		–	–	–	–	–	–	–	–	–	–	–
Other materials		3 700						(1 700)	(1 700)	2 000	5 000	6 000
Contracted services		14 991	–	–	–	–	–	760	760	15 751	15 690	16 459
Transfers and grants		180							–	180	198	218
Other expenditure		10 139	–	–	–	–	–	3 110	3 110	13 249	10 747	11 392
Loss on disposal of PPE									–	–		
Total Expenditure		51 635	–	–	–	–	–	7 635	7 635	59 269	57 242	61 384
Surplus/(Deficit)		551	–	–	–	–	–	(1 485)	(1 485)	(934)	2 543	1 142
Transfers recognised - capital		11 156							–	11 156	11 486	11 798
Contributions									–	–		
Contributed assets									–	–		
Surplus/(Deficit) before taxation		11 707	–	–	–	–	–	(1 485)	(1 485)	10 222	14 029	12 940
Taxation									–	–		
Surplus/(Deficit) after taxation		11 707	–	–	–	–	–	(1 485)	(1 485)	10 222	14 029	12 940
Attributable to minorities									–	–		
Surplus/(Deficit) attributable to municipality		11 707	–	–	–	–	–	(1 485)	(1 485)	10 222	14 029	12 940
Share of surplus/ (deficit) of associate									–	–		
Surplus/ (Deficit) for the year		11 707	–	–	–	–	–	(1 485)	(1 485)	10 222	14 029	12 940

This table provides an overview of the monthly actual, year to date actual and year to date budget of revenue by source and expenditure by type.

KZN273 The Big 5 False Bay - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Single-year expenditure *to be adjusted*	2											
Vote 1 - Executive & Council		100	–	–	–	–	–	–	–	100	–	–
Vote 2 - Budget & Treasury Office		50	–	–	–	–	–	–	–	50	–	–
Vote 3 - Corporate Services		50	–	–	–	1 405	–	–	1 405	1 455	–	–
Vote 4 - Community Services		50	–	–	–	–	–	–	–	50	–	–
Vote 5 - Planning Services		11 256	–	–	–	–	–	–	–	11 256	11 486	11 798
Vote 6 - Public Safety		50	–	–	–	–	–	–	–	50	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		11 556	–	–	–	1 405	–	–	1 405	12 961	11 486	11 798
Total Capital Expenditure - Vote		11 556	–	–	–	1 405	–	–	1 405	12 961	11 486	11 798
Capital Expenditure - Standard												
Governance and administration		200	–	–	–	1 405	–	–	1 405	1 605	–	–
Executive and council		100							–	100		
Budget and treasury office		50							–	50		
Corporate services		50				1 405			1 405	1 455		
Community and public safety		100	–	–	–	–	–	–	–	100	–	–
Community and social services		100							–	100		
Sport and recreation									–	–		
Public safety									–	–		
Housing									–	–		
Health									–	–		
Economic and environmental services		11 256	–	–	–	–	–	–	–	11 256	11 486	11 798
Planning and development		11 256							–	11 256	11 486	11 798
Road transport									–	–		
Environmental protection									–	–		
Trading services		–	–	–	–	–	–	–	–	–	–	–
Electricity									–	–		
Water									–	–		
Waste water management									–	–		
Waste management									–	–		
Other									–	–		
Total Capital Expenditure - Standard	3	11 556	–	–	–	1 405	–	–	1 405	12 961	11 486	11 798
Funded by:												
National Government		11 156							–	11 156	11 486	11 798
Provincial Government									–	–		
District Municipality									–	–		
Other transfers and grants									–	–		
Total Capital transfers recognised	4	11 156	–	–	–	–	–	–	–	11 156	11 486	11 798
Public contributions & donations									–	–		
Borrowing									–	–		
Internally generated funds		400				1 405			1 405	1 805		
Total Capital Funding		11 556	–	–	–	1 405	–	–	1 405	12 961	11 486	11 798

This table provide an overview of the monthly actual, year to date actual and year to date budget of capital expenditure by Council's departmental structure, standard classification and the sources necessary to fund the capital expenditure.

KZN273 The Big 5 False Bay - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash		2 116						(2 072)	(2 072)	44	8 039	13 032
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	5 582	–	–	–	–	–	12 718	12 718	18 300	(2 550)	(4 250)
Other debtors		980							–	980	950	900
Current portion of long-term receivables									–	–		
Inventory									–	–		
Total current assets		8 678	–	–	–	–	–	10 646	10 646	19 324	6 439	9 682
Non current assets												
Long-term receivables									–	–		
Investments									–	–		
Investment property									–	–		
Investment in Associate									–	–		
Property, plant and equipment	1	116 873	–	–	–	–	–	(1 117)	(1 117)	115 755	124 359	131 657
Agricultural									–	–		
Biological									–	–		
Intangible		168							–	168	156	145
Other non-current assets									–	–		
Total non current assets		117 041	–	–	–	–	–	(1 117)	(1 117)	115 923	124 515	131 802
TOTAL ASSETS		125 719	–	–	–	–	–	9 529	9 529	135 247	130 954	141 484
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Borrowing		400	–	–	–	–	–	–	–	400	350	–
Consumer deposits									–	–		
Trade and other payables		4 000	–	–	–	–	–	8 776	8 776	12 776	4 000	4 000
Provisions								244	244	244		
Total current liabilities		4 400	–	–	–	–	–	9 020	9 020	13 420	4 350	4 000
Non current liabilities												
Borrowing	1	650	–	–	–	–	–	–	–	650	–	–
Provisions	1	4 200	–	–	–	–	–	–	–	4 200	4 300	4 400
Total non current liabilities		4 850	–	–	–	–	–	–	–	4 850	4 300	4 400
TOTAL LIABILITIES		9 250	–	–	–	–	–	9 020	9 020	18 270	8 650	8 400
NET ASSETS	2	116 469	–	–	–	–	–	509	509	116 978	122 304	133 084
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		116 469	–	–	–	–	–	509	509	116 978	122 304	133 084
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		116 469	–	–	–	–	–	509	509	116 978	122 304	133 084

This table is aligned to GRAP 1, which is generally aligned to international standards of good financial management practice.

KZN273 The Big 5 False Bay - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		12 520						1 727	1 727	14 247	16 022	14 029
Government - operating	1	33 874						(1 407)	(1 407)	32 467	42 521	44 254
Government - capital	1	11 156							–	11 156	11 486	11 798
Interest								150	150	150		
Dividends									–	–		
Payments												
Suppliers and employees		(47 335)						2 500	2 500	(44 835)	(51 094)	(54 766)
Finance charges		(150)						(50)	(50)	(200)	(150)	(100)
Transfers and Grants	1	(180)							–	(180)	(198)	(218)
NET CASH FROM/(USED) OPERATING ACTIVITIES		9 885	–	–	–	–	–	2 920	2 920	12 805	18 587	14 997
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		2 300							–	2 300		
Decrease (Increase) in non-current debtors									–	–		
Decrease (increase) other non-current receivables									–	–		
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(11 556)						(1 650)	(1 650)	(13 206)	(11 486)	(11 798)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 256)	–	–	–	–	–	(1 650)	(1 650)	(10 906)	(11 486)	(11 798)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing									–	–		
Increase (decrease) in consumer deposits									–	–		
Payments												
Repayment of borrowing		(500)							–	(500)	(500)	(500)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(500)	–	–	–	–	–	–	–	(500)	(500)	(500)
NET INCREASE/ (DECREASE) IN CASH HELD		129	–	–	–	–	–	1 270	1 270	1 399	6 601	2 699
Cash/cash equivalents at the year begin:	2	1 473							(2 828)	(1 355)	927	7 528
Cash/cash equivalents at the year end:	2	1 602	–	–	–	–	–	1 270		44	7 528	10 227

This table is consistent with international standards of good financial management practice. There is a clear separation of receipts and payments, capital and operating receipts from Government, borrowing and loan repayment.

KZN273 The Big 5 False Bay - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	1 602	–	–	–	–	–	1 270	1 270	2 872	7 528	10 227
Other current investments > 90 days		514	–	–	–	–	–	(3 342)	(3 342)	(2 828)	511	2 805
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		2 116	–	–	–	–	–	(2 072)	(2 072)	44	8 039	13 032
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	3 000	3 000	3 000	–	–
Unspent borrowing									–	–		
Statutory requirements									–	–		
Other working capital requirements	2	(1 037)	–					(1 499)	(1 499)	(2 536)	5 485	6 572
Other provisions									–	–		
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		1 000	–					–	–	1 000	1 000	1 000
Total Application of cash and investments:		(37)	–	–	–	–	–	1 501	1 501	1 464	6 485	7 572
Surplus(shortfall)		2 153	–	–	–	–	–	(3 573)	(3 573)	(1 420)	1 554	5 460

KZN273 The Big 5 False Bay - Table B9 Asset Management -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14			
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets *to be adjusted*	1	6 694	–	–	–	–	–	–	–	6 694	7 292	7 079
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–	6 892	7 079
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Other		6 394	–	–	–	–	–	–	–	6 394	–	–
Infrastructure		6 394	–	–	–	–	–	–	–	6 394	6 892	7 079
Community		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Other assets	6	300	–	–	–	–	–	–	–	300	400	–
Agricultural Assets		–	–	–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets *to be adjuste*	2	4 862	–	–	–	–	–	–	–	4 862	4 194	4 719
Infrastructure - Road transport		4 862	–	–	–	–	–	–	–	4 862	4 194	4 719
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		4 862	–	–	–	–	–	–	–	4 862	4 194	4 719
Community		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–			–	–
Intangibles		–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure *to be adjusted*	4											
Infrastructure - Road transport		4 862	–	–	–	–	–	–	–	4 862	11 086	11 798
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Other		6 394	–	–	–	–	–	–	–	6 394	–	–
Infrastructure		11 256	–	–	–	–	–	–	–	11 256	11 086	11 798
Community		–	–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Other assets		300	–	–	–	–	–	–	–	300	400	–
Agricultural Assets		–	–	–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE *to be adjusted*	2	11 556	–	–	–	–	–	–	–	11 556	11 486	11 798
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		28 500							–	28 500	29 350	3 100
Infrastructure - Electricity									–	–		
Infrastructure - Water									–	–		
Infrastructure - Sanitation									–	–		
Infrastructure - Other		77 428							–	77 428	83 560	117 207
Infrastructure		105 928	–	–	–	–	–	–	–	105 928	112 910	120 307
Community		1 039							–	1 039	1 909	1 850
Heritage assets									–	–		
Investment properties									–	–		
Other assets		9 906							–	9 906	9 940	9 500
Intangibles		168							–	168	156	145
Agricultural Assets												
Biological assets									–	–		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV	5	117 041	–	–	–	–	–	–	–	117 041	124 915	131 802
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		2 000	–	–	–	–	–	1 500	1 500	3 500	4 000	4 500
Repairs and Maintenance by asset class	3	3 700	–	–	–	–	–	(1 700)	(1 700)	2 000	5 000	6 000
Infrastructure - Road transport		600	–	–	–	–	–	(100)	(100)	500	800	1 000
Infrastructure - Electricity		500	–	–	–	–	–	(300)	(300)	200	900	1 000
Infrastructure - Water		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	–	–
Infrastructure - Other		550	–	–	–	–	–	(300)	(300)	250	650	850
Infrastructure		1 650	–	–	–	–	–	(700)	(700)	950	2 350	2 850
Community		650	–	–	–	–	–	(350)	(350)	300	850	1 170
Heritage assets		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Other assets	6	1 400	–	–	–	–	–	(650)	(650)	750	1 800	1 980
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		5 700	–	–	–	–	–	(200)	(200)	5 500	9 000	10 500
% of capital exp on renewal of assets		*42.1%*	*0.0%*							*42.1%*	*36.5%*	*40.0%*
Renewal of existing assets as % of deprecn		*243.1%*	*0.0%*							*138.9%*	*104.9%*	*104.9%*
R&M as a % of PPE		*3.2%*	*0.0%*							*1.7%*	*4.0%*	*4.6%*
Renewal and R&M as a % of PPE		*7.3%*	*0.0%*							*5.9%*	*7.4%*	*8.1%*

KZN273 The Big 5 False Bay - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	8	9	10	11	12	13	14		
		A	A1	B	C	D	E	F	G	H		
Household service targets	1											
Water:												
Piped water inside dwelling									–	–		
Piped water inside yard (but not in dwelling)									–	–		
Using public tap (at least min.service level)	2								–	–		
Other water supply (at least min.service level)									–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3								–	–		
Other water supply (< min.service level)	3,4								–	–		
No water supply									–	–		
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:												
Flush toilet (connected to sewerage)									–	–		
Flush toilet (with septic tank)									–	–		
Chemical toilet									–	–		
Pit toilet (ventilated)									–	–		
Other toilet provisions (> min.service level)									–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–	–	–
Bucket toilet									–	–		
Other toilet provisions (< min.service level)									–	–		
No toilet provisions									–	–		
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–	–	–
Energy:												
Electricity (at least min. service level)									–	–		
Electricity - prepaid (> min.service level)									–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–	–	–
Electricity (< min.service level)									–	–		
Electricity - prepaid (< min. service level)									–	–		
Other energy sources									–	–		
Below Minimum Servic Level sub-total		–	–	–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–	–	–
Refuse:												
Removed at least once a week (min.service)		410							–	410	410	410
Minimum Service Level and Above sub-total		410	–	–	–	–	–	–	–	410	410	410
Removed less frequently than once a week									–	–		
Using communal refuse dump		13							–	13	13	13
Using own refuse dump		9							–	9	9	9
Other rubbish disposal									–	–		
No rubbish disposal									–	–		
Below Minimum Servic Level sub-total		22	–	–	–	–	–	–	–	22	22	22
Total number of households	5	432	–	–	–	–	–	–	–	432	432	432
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)									–	–		
Sanitation (free minimum level service)									–	–		
Electricity/other energy (50kwh per household per month)									–	–		
Refuse (removed at least once a week)		102							–	102	102	102
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)									–	–		
Sanitation (free sanitation service)									–	–		
Electricity/other energy (50kwh per household per month)									–	–		
Refuse (removed once a week)		148							–	148	148	148
Total cost of FBS provided (minimum social packa		148	–	–	–	–	–	–	–	148	148	148
Highest level of free service provided												
Property rates (R'000 value threshold)		60000							–	60 000	60000	60000
Water (kilolitres per household per month)									–	–		
Sanitation (kilolitres per household per month)									–	–		
Sanitation (Rand per household per month)									–	–		
Electricity (kw per household per month)									–	–		
Refuse (average litres per week)									–	–		
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		172							–	172	172	172
Property rates (other exemptions, reductions and reba		688							–	688	688	688
Water									–	–		
Sanitation									–	–		
Electricity/other energy									–	–		
Refuse									–	–		
Municipal Housing - rental rebates									–	–		
Housing - top structure subsidies	6								–	–		
Other									–	–		
Total revenue cost of free services provided (total s		860	–	–	–	–	–	–	–	860	860	860

PART 2 – SUPPORTING DOCUMENTATION

2.1. Adjustment to Budget Assumptions

Budget Assumptions

There are no changes to the budget assumptions proposed in the adjustments budget except in GRAP 23.

2.2. Adjustment to budget funding

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

• Realistically anticipated revenues to be collected;

• Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

A Credible Budget

Amongst other things, a credible budget is a budget that:

• Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;

• Is achievable in terms of agreed service delivery and performance targets;

• Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;

• Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and

• Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

Funding of operating and capital expenditure

The municipal budget is cash funded, however the decrease in cash available at year requires the municipality to put more effort in collecting more revenues.

Financial plans

At this stage The Big 5 False Bay Municipality has not yet adopted a long-term financial plan that is fully funded. It is therefore difficult to provide inputs on how the adjustment budget will influence the financial plan.

Reserves

None of the reserves will be cash backed at 30 June 2014.

Financial sustainability of the municipality

The municipality's financial position is still not sound as the current liabilities are almost equal to the current assets, meaning the municipality might have going concern issues.

The municipality plans to continue exercising strict financial management and ensuring a cash flow which meets the requirements.

The municipality must ensure that the principle of "the user pays for the use of the assets" be applied in its long –term financial strategy. It is for this reason that the municipality will in future provide for cash – backed reserves, which consist of Employee Benefits provisions, the cost of replacing the existing valuation roll and contributions to the Capital Replacement Reserve with the idea being a contribution at least equal to the depreciation charges on those assets being used.

2.3. Expenditure on allocations and grant programmes

Grant allocations

Details of each grant to be received and spent are shown in the schedules SB7 to SB9 attached to the report.

2.4. Allocations and grants made by the Municipality

Allocations Made by the Municipality

There were no changes to the grants and subsidies made by the municipality refer to schedule SB10.

2.5. Councillor Allowances and employee benefits

Salaries, Allowances and Benefits

Details of Councillor Allowances and employee benefits are included in supporting table SB11 attached.

2.6. Measurable Performance Objectives and Indicators

Changes to measurable performance objectives and indicators are not included as a supporting table (SB3) resulted from the need to review SDBIP

2.7. Capital expenditure details

Capital expenditure details are listed in Supporting Table SB 18 to SB 19.

2.8. Other Supporting Documents

Other supporting schedules are listed.

2.9. Municipal Manager's quality certification

QUALITY CERTIFICATE

I, Abion Mfanomncane Dhlomo, Municipal Manager of The Big 5 False Bay Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

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Municipal Manager of The Big 5 False Bay Municipality (KZN273)

Signature …….

Date ……